

Message Text

CONFIDENTIAL

PAGE 01 HAVANA 01665 200151Z
ACTION ARA-14

INFO OCT-01 EUR-12 EA-10 ISO-00 AGR-05 SP-02 ICA-11
AID-05 EB-08 NSC-05 TRSE-00 SS-15 STR-07 OMB-01
CEA-01 IO-13 L-03 CIAE-00 DODE-00 PM-05 H-01
INR-10 NSAE-00 PA-01 /130 W
-----129699 200558Z /14

R 192028Z JUN 78
FM USINT HAVANA
TO SECSTATE WASHDC 2224
INFO AMEMBASSY MOSCOW
USLO PEKING

C O N F I D E N T I A L HAVANA 1665

EO 11652: GDS
TAGS: ETRD CH CU UR
SUBJ: CHINESE TRADE REPRESENTATIVES COMMENT ON CUBA

1. CHINESE COMMERCIAL COUNSELOR HOU YUN ACCOMPANIED BY
ATTACHE WU CHANG-SHENG CALLED FOR FIRST TIME ON ACTING USINT
CHIEF, JUNE 16. IN CONTRAST TO PREVIOUS CONTACTS, HOU YUN
VOLUNTEERED THAT TRADE IS LINKED WITH POLITICS.
(COMMENT: CHINESE, IN PAST, HAVE JUSTIFIED THEIR INCREASED
COMMERCE WITH CUBA IN 1978 TO US BY DECLARING THAT TRADE
SHOULD PROCEED INDEPENDENT OF POLITICS. NEW CHINESE LINE COMES
IN WAKE OF STRONG CUBAN ATTACKS ON CHINESE LEADERSHIP -- SEE
HAVANA 1476, 1499 AND 1507 -- AND ZAIRE INCURSION.)

2. HOU YUN STATED THAT CUBAN COMMERCIAL COUNSELOR IN
PEKING HAS NOW BEGUN CONTACTS LOOKING TOWARD BEGINNING IN
SEPTEMBER-OCTOBER OF CUBAN-CHINESE 1979 TRADE NEGOTIATIONS HOU
YUN SAID THAT NORMAL PRACTICE IN SUCH NEGOTIATIONS IS FOR
CUBANS FIRST TO SUBMIT GLOBAL FIGURE FOR INTENDED
PURCHASES FROM CHINA. SUBSEQUENTLY, QUALITY OF CUBAN
SUGAR TO BE SHIPPED AND ASSORTMENT OF CHINESE GOODS TO
BE PROVIDED IS DEFINED.
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 HAVANA 01665 200151Z

3. HOU YUN STATED THAT CUBAN SUGAR WILL BE OF DECREASING
IMPORTANCE TO CHINA IN 1979 AND 1980, AS CHINESE DOMESTIC
PRODUCTION RISES. ON OTHER HAND, HE SAID, CHINESE SUGAR
PURCHASES BECOME MORE IMPORTANT FOR CUBA IN VIEW OF EXPECTED
RISING PRODUCTION HERE. PART OF CUBAN HASTE IN PRESSING FOR
INITIAL TRADE CONTACTS IN PEKING NOW, HOU YUN SAID, IS DESIRE

TO ASSURE MARKET FOR THIS EXPANDED SUGAR PRODUCTION.

4. WHILE VOLUNTEERING THAT POLITICS IS LINKED WITH TRADE, HOU YUN SAID THAT CHINA DOES NOT SUPPORT ECONOMIC EMBARGO AGAINST CUBA. HE SAID THAT CHINESE MAINTENANCE OF STATE-TO-STATE RELATIONS WITH CUBA CARRIES WITH IT CERTAIN COMMERCIAL OBLIGATIONS. HOWEVER, CHINESE TRADE WITH CUBA DOES NOT AND WILL NOT REPLICATE VOLUME AND CONCESSIONAL NATURE OF CHINESE-CUBAN TRADE IN EARLY 1960'S. HOU YUN SAID THAT CHINA BELIEVES THAT, RATHER THAN EMBARGO, UNMASKING OF CUBA ROLE AS "PEON" OF SOVIET UNION AND "AROUSING OF AFRICAN PEOPLE TO STRUGGLE" ARE MOST IMPORTANT METHODS IN FIGHT AGAINST SOVIET/CUBAN "REVISIONISM".

5. COMMENT: IN VIEW OF 1980 REVIEW OF INTERNATIONAL SUGAR AGREEMENT (ISA), CUBANS WILL BE HIGHLY INTERESTED IN MAINTAINING HIGH SUGAR SALES TO CHINA IN 1979 AND 1980 IN ORDER TO JUSTIFY THEIR EXCEPTIONAL QUOTA PERMITTING SALES BEYOND THEIR BASIC EXPORT TONNAGE (BET) OF UP TO 650 THOUSAND TONS TO NON-COMECON, SOCIALIST COUNTRIES. (FYI: WE ESTIMATE 1978 CUBAN SUGAR DELIVERS TO CHINA AS 440 TO 520 THOUSAND TONS -- SEE HAVANA 872 -- END FYI.) GIVEN FACT THAT CHINESE PURCHASES OF CUBAN SUGAR: (A) RELIEVE SOVIETS OF BURDEN OF HAVING TO PROVIDE ADDITIONAL RICE AND SOME TEXTILES TO CUBA FROM FREE MARKET; (B) LIMIT POSSIBILITIES FOR UPWARD REVISION OF AUSTRALIAN CONFIDENTIAL

CONFIDENTIAL

PAGE 03 HAVANA 01665 200151Z

AND THAI SUGAR QUOTAS DURING 1980 ISA QUOTA REVIEW TO WOULD PERMIT SIMULTANEOUS SATISFACTION OF JAPANESE AND CHINESE SUGAR REQUIREMENTS (WITHOUT CUBAN PARTICIPATION IN ASIAN MARKET); AND (C) MAY NOT BE NECESSARY TO CHINA GIVEN POSSIBLY RISING DOMESTIC PRODUCTION, DEPARTMENT MA WISH TO CONSIDER MERITS OF APPROACH TO PEKING ENCOURAGING REDUCTION OF 1979 SUGAR PURCHASES FROM CUBA. (FYI SOVIETS HERE BELIEVE THAT PEKING HAS LITTLE INCENTIVE TO REDUCE CUBAN SUGAR PURCHASES SINCE CHINESE GOODS PROVIDED TO CUBA IN EXCHANGE FOR SUGAR HAVE LITTLE UTILITY IN FREE MARKET END FYI.) GLASSMAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE
Control Number: n/a
Copy: SINGLE
Draft Date: 19 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978HAVANA01665
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780256-0214
Format: TEL
From: HAVANA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780645/aaaabmxm.tel
Line Count: 105
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 57004186-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 25 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2302278
Secure: OPEN
Status: NATIVE
Subject: CHINESE TRADE REPRESENTATIVES COMMENT ON CUBA
TAGS: ETRD, CH, CU, UR
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/57004186-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014